IN THE UNITED FOR THE DISTI	IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS		
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SENSITECH INC.AND DONALD W. BERRIAN		U.S. DISTRICT COURT DISTRICT OF MASS.	
Plaintiff,)		
v.) Civil Action No. 04-1) Civil Action No. 04-11483 (MLW)	
TIME & TEMPERATURE COMPANY, d/b/a TIME 'N TEMPERATURE CORPORATION	,)))		
Defendant.))		

REPLY TO PLAINTIFFS' SURREPLY IN SUPPORT OF DEFENDANT'S MOTION TO DISMISS, OR, IN THE ALTERNATIVE, TO TRANSFER VENUE

Sensitech appears unable to accept the fact that Time 'N Temperature is a very small company with near infinitesimal sales in Massachusetts, and therefore has filed its Surreply in yet a further attempt to "trump up," by way of mischaracterization, the company's minimal contacts with forum—not to mention drain the financial resources of the company and the energy of its 80 year-old president (*see*, Phole Decl. of Sept. 9, 2004, ¶ 3).

THE ALLEGED SALES

Sensitech claims that: "[Time 'N Temperature] now concedes that over the past seven years it has sold 2300 accused products into, or for use in, the Commonwealth of Massachusetts, (see Surreply, ¶ 1.)" This is a blatant mischaracterization. As Time 'N Temperature has fully described (see, Reply, pp. 5-7, Phole Decl. of Sept. 9, 2004, ¶¶ 11, 17), the 2300 allegedly infringing recorders sold over the last seven years (or about 329 recorders per years) were sold to produce shippers in California and later appeared in Massachusetts as a matter of happenstance. As Time 'N Temperature explained (see, Reply at 6, Phole Decl. ¶ 17), during the peak shipping season for perishable foods in California, shippers of produce cannot always find the Sensitech

brand recorders specified by Massachusetts grocery stores and in such instances will use whatever recorders are available rather than let the shipment spoil. (Phole Decl. of Sept. 9, 2004, ¶ 17.) A few of these, i.e. about 329 per year (out of the 70,000 recorders destined for the forum each year), happen to be Time 'N Temperature's recorders. *Id.*

Over the last seven years about 490,000¹ recorders have been placed upon perishable foods shipments destined for Massachusetts. (Phole Decl. of Sept. 9, 2004, ¶ 16). Of these 490,000 recorders destined for the forum, a mere 2300 have been Time 'N Temperature brand recorders, or less than ½ of 1% of the recorders that arrived in Massachusetts over this seven year period. Moreover, as stated above, these few Time 'N Temperature recorders that did ultimately arrive in the forum were not the result of direct sales to the forum, but rather were *sold* at the point of origin in California. (Phole Decl. of Sept. 9, 2004, ¶ 11). These recorders, sold in California, cannot be said to have been purposefully directed towards the forum because they could have arrived in any Mid-Western or East Coast state. These de minimis indirect sales which occur as a matter of happenstance, cannot, as a matter of fundamental fairness, be deemed sufficient to require Time 'N Temperature to be haled into a forum 3000 miles distant from its home.

THE ALLEGED DIRECT ACCOUNTS

Once again Sensitech is attempting to create an illusion of a substantial number of direct sales arrangements between Time 'N Temperature and Massachusetts grocery stores by alleging: "Significantly, [Time 'N Temperature] does not deny what its own documents evidence (citations omitted) – that whether or not they remain as numerous today, [Time 'N Temperature] has maintained several accounts in Massachusetts for the purchase and use of its infringing temperature monitors." (See, Surreply, ¶ 2.) This is simply not correct. Time 'N Temperature expressly and unequivocally denied having direct sales arrangements with any Massachusetts supermarket chain, with the possible exception of Alphas Chelsea. (See, Reply, pp. 4-5, Phole Decl. of Sept. 9, 2004, ¶13 ("At present, Time 'N Temperature has no direct arrangements or

Over the last seven years the total number of recorders produced by all manufacturers that were destined for Massachusetts is estimated to be about 490,000 recorders. See, Phole Decl. ¶ 16.

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accounts with any Massachusetts supermarket chain or other receiver of perishable foods, with the possible exception of Alphas Chelsea-MA.").

Time 'N Temperature further explained that with respect to Alphas Chelsea, that store had agreed to allow its shippers to use Time 'N Temperature's recorders (see, Phole Decl. of Sept. 9, 2004, ¶ 13; see also Reply at 5 and fn. 4) and as a result, the company receives on an irregular basis returned recorders from Alphas Chelsea which average about 8 recorders per month. *Id.* The agreement was non-exclusive. *Id.*

Also, in its Opposition, Sensitech specifically alleged that Time 'N Temperature had ongoing direct arrangements with Alphas Chelsea-MA, Big Y Food-MA, C&S Wholesale-MA, Community Suffolk-MA and Shaw's supermarkets (see, Opposition, p. 4), and now further alleges that: "[Time 'N Temperature's] papers are notably silent regarding Sensitech's allegations about [Time 'N Temperature's] relationships with other Massachusetts-based supermarket chains, and such uncontested allegations must be taken as true for purposes of this motion." (See, Surreply, ¶ 2). Yet again, Sensitech sets forth an incorrect allegation as if it were fact.

Time 'N Temperature expressly and unequivocally denied having direct sales arrangements with Big Y Food-MA, C&S Wholesale-MA, Community Suffolk-MA and Shaw's supermarkets. (See, Reply, pp. 4-5; Phole Decl. of Sept. 9, 2004, ¶ 13 ("In particular, Time 'N Temperature does not have any ongoing relationships or accounts with the following Massachusetts companies: Big Y Food-MA, C&S Wholesale-MA, Community Suffolk-MA and Shaw's supermarkets, as alleged by Sensitech.")

THIS CASE SHOULD BE DISMISSED OR TRANSFERRED

Despite Sensitech's continued attempts to make Time 'N Temperature's minimal contacts with the forum appear greater than they are, the company's few contacts may essentially be summarized as follows: (1) the company has one relationship with a Massachusetts grocery store, i.e. the aforementioned irregular relationship with Alphas Chelsea (Phole Decl. of Sept. 9, 2004, ¶ 13); (2) a total of about 329 of the company's recorders per year (all originally sold in California) eventually make their way into the forum (i.e. only a mere 329 of the 70,000

recorders per year used in the forum are Time 'N Temperature's recorders) (Phole Decl. of Sept. 9, 2004, ¶ 16); (3) in years past the company has made sporadic and unsuccessful attempts to market its products in the forum (Phole Decl. of Sept. 9, 2004, ¶¶ 15, 18 and 24); and (4) over the past seven years Time 'N Temperature has directly sold about \$9400 of products of all types in the forum (Phole Decl. of August 6, 2004, ¶ 33). In view of these sparse contacts, it would be unreasonable for this court to exercise jurisdiction. Alternatively, should the court choose to exercise jurisdiction, the court should transfer this case to the Central District of California where the vast majority of the actual sales of the allegedly infringing products take place.

Time 'N Temperature would further note that Sensitech has retained the law firm of Latham & Watkins in Los Angeles to represent its interests in Case No. CV 04-6553 presently pending in the Central District of California. Sensitech has now filed an answer in that case and rather then file a motion to dismiss for lack of jurisdiction, merely filed a motion to transfer venue. Sensitech has admitted that it maintains offices in Fresno, Davis and Upland, California (see, Dirubio Decl. ¶ 25) and more particularly conducts business in the Central District.

In view Sensitech's substantial presence in California, apparent vast financial resources and its prior aggressive attempts to purchase Time 'N Temperature, (including threats of driving the company out of business through below cost pricing (see, Phole Decl. of August 6, 2004, ¶ 12-13), allegations which notably remain uncontested by Sensitech and therefore must be taken as true), and further in view of its filing of the this lawsuit when those attempts proved unsuccessful, the balance of the equities and the interests of justice demand that this case be dismissed or transferred to the Central District of California. A true and correct copy of Sensitech's answer to Time 'N Temperature's complaint in Case No. CV 04-6553 presently pending in the Central District of California is attached as Exhibit "A" to this reply.

Respectfully submitted,

CESARI AND McKENNA, LLP

Dated: September 27, 2004

E C. 01 2' Thomas C. O'Konski BBO #377475 Attorneys for Defendant, Time 'N Temperature Company 88 Black Falcon Avenue Boston, MA 02210 (617) 951-2500

Of Counsel:

Daniel M. Cislo, Esq., CA Bar No. 125,378 David B. Sandelands, Esq., CA Bar No. 198,252 CISLO & THOMAS LLP 233 Wilshire Boulevard, Suite 900 Santa Monica, California 90401 Telephone: 310-451-0647

Facsimile: 310-394-4477

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Defendant's Reply to Plaintiffs' Surreply is being deposited with the United States Postal Service on September 27, 2004, in an envelope addressed to counsel for plaintiff, Sensitech Inc. and Donald W. Berrian:

> John T. Gutkoski Day, Berry & Howard LLP 260 Franklin Street Boston, MA 02110-3179

Matthew J. Becker Day, Berry & Howard LLP CityPlace I Hartford, CT 06103-3499

Catherine Dugan O'Connor Day, Berry & Howard LLP One Cantebury Green Stamford, CT 06901-2047

SENSITECH, INC.'S ANSWER AND AFFIRMATIVE DEFENSES

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ANSWER

JURISDICTION AND VENUE

and 2 of the Sherman Act (15 U.S.C. §§1 and 2). As to the remaining allegations

\$75,000.00, exclusive of interest and costs," Sensitech has insufficient knowledge

upon which to form a belief and leaves the plaintiff to its proof. The remaining

allegations of paragraph 2 state legal conclusions and require no response by

in various states of the United States. Except as expressly so admitted, the

judicial district. The remaining allegations of paragraph 4 are denied.

California, maintains a facility in Fresno, California, and conducts business in this

THE PARTIES

paragraph 5. Sensitech further admits that Time 'N Temperature sells temperature

transit temperature of perishable foods shipped from California to other states and

Sensitech has insufficient knowledge upon which to form a belief and leaves the

recording devices that are used at least by produce shippers to monitor the in-

particularly the East Coast. As to the remaining allegations of paragraph 5,

Sensitech admits the allegations of the first sentence of

of paragraph 1, the Complaint speaks for itself and requires no response from

Sensitech denies it has committed any violations of Sections 1

As to the allegation that "the amount in controversy exceeds

Sensitech admits that it conducts business with entities located

Sensitech admits that it is licensed to do business in the State of

Defendant Sensitech, Inc. ("Sensitech"), for its Answer and Affirmative Defenses, hereby states as follows:

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remaining allegations of paragraph 3 are denied.

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plaintiff to its proof.

SENSITECH, INC.'S ANSWER AND AFFIRMATIVE DEFENSES

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1 2	6. Sensitech denies that it has "major operations in Fresno, California among other locations." The remaining allegations of paragraph 6 are
5	7. The allegations of paragraph 7 are admitted. 8. Sensitech denies the allegations of the second sentence of paragraph 8. As to the remaining allegations of paragraph 8, Sensitech has insufficient knowledge upon which to form a belief and therefore leaves the
1	9. Sensitech denies the allegations of paragraph 9. 10. Sensitech denies the allegations of paragraph 10.
11 12 13 14	SUMMARY OF THE CLAIMS 11. As to the allegations of paragraph 11, the Complaint speaks for itself and requires no further response by Sensitech. Sensitech denies that it committed any of the acts set forth in paragraph 11.
15 16 17	itself and requires no response by Sensitech. Sensitech denies, however, that U.S. Patent Nos. 5,515,848 and Re. 36,200 are invalid and/or unenforceable. Sensitech denies the allegations of paragraph 13.
18 19 20 21	14. The allegations of the second, third and fourth sentences of arragraph 14 are admitted. As to the remaining allegations of paragraph 14,
22 23	Sensitech has insufficient knowledge upon which to form a belief and therefore leaves the plaintiff to its proof. Sensitech denies that "Time 'N Temperature introduced three
24 25 20	highly innovative designs." As to remaining allegations of paragraph 15, Sensitech has insufficient knowledge upon which to form a belief and leaves the plaintiff to
2	16. Sensitech admits that the process alleged in paragraph 10 is Sensitech, inc.'s answer AND AFFIRMATIVE DEFENSES

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LOS ANGELES

	37. Sensitech denies the allegations of paragraph 37.
1	FIRST CAUSE OF ACTION
2	38. Sensitech realleges and incorporates by reference its responses
3	o paragraphs 1 through 37 of the Complaint as if fully set forth herein.
N.	39. Sensitech denies the allegations of paragraph 39.
5	40. Sensitech denies the allegations of paragraph 40.
6	41. Sensitech denies the allegations of paragraph 41.
7	SECOND CAUSE OF ACTION
8	42. Sensitech realleges and incorporates by reference its responses
9	to paragraphs 1 through 41 of the Complaint as if fully set forth herein.
1	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
11	1. 1. dea the ellegations of paragraph 44.
12	
13	the allegations of paragraph 46.
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15	47. Sensitech denies the allegations of paragraph. THIRD CAUSE OF ACTION
16	11 and incorporates by reference its responses
17	48. Sensitech realleges and incorporates by restriction to paragraphs 1 through 47 of the Complaint as if fully set forth herein.
18	light of naragraph 49.
19	1. 1. i.e. the ollegations of paragraph 50.
20	1 1 in the allegations of paragraph 51.
21	1 1 in the allegations of paragraph 52.
22	the allegations of naragraph 53.
23	legations of naragraph 54.
24	FOURTH CAUSE OF ACTION
25	55. Sensitech realleges and incorporates by reference its responses
26	55. Sensitech realleges and incorporates by forth herein.
2	to paragraphs 1 through 54 of the Complaint as if fully set forth herein.
2	8 56. Sensitech denies the allegations of paragraph 56. Sensitech, INC.'S ANSWER
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6 7 8 9 10 11 to 12 13 14 15 16 17 18 19	57. Sensitech denies the allegations of paragraph 57. 58. Sensitech denies the allegations of paragraph 58. FIFTH CAUSE OF ACTION 59. Sensitech realleges and incorporates by reference its responses paragraphs 1 through 58 of the Complaint as if fully set forth herein. 60. Sensitech denies the allegations of paragraph 60. 61. Sensitech denies the allegations of paragraph 61. 62. Sensitech denies the allegations of paragraph 62. SIXTH CAUSE OF ACTION 63. Sensitech realleges and incorporates by reference its responses paragraphs 1 through 62 of the Complaint as if fully set forth herein. 64. Sensitech denies the allegations of paragraph 64. 65. Sensitech denies the allegations of paragraph 65. 66. Sensitech denies the allegations of paragraph 66. 67. Sensitech denies the allegations of paragraph 68. 68. Sensitech denies the allegations of paragraph 69. 69. Sensitech denies the allegations of paragraph 69. 70. Sensitech denies the allegations of paragraph 70. SEVENTH CAUSE OF ACTION 71. Sensitech realleges and incorporates by reference its responses
l l	64 Sensitech denies the allegations of paragraph on
ll l	65. Sensitech denies the allegations of paragraph 65.
1	66. Sensitech denies the allegations of paragraph 67.
Ŋ	67. Sensitech denies the allegations of paragraph 68.
1	68. Sensitech denies the allegations of paragraph 69.
17	69. Sensitech denies the allegations of paragraph 70.
18	70. Sensitech denies the allegations of paragraph 10.
19	SEVENTH CAUSE OF ACTION Linearmorates by reference its responses
20	71. Sensitech realleges and incorporates of fully set forth herein.
21	to paragraphs 1 through 70 of the Complaint as if fully set forth herein. 72. Sensitech admits that Sensitech and Donald Berrian have
22	72. Sensitech admits that Sensitech and Sensitech admits that Sensitech admits the sensite that Sensite the Sensite that Sensite th
23	No. 04-11483MLW (D. Mass.). Except as expressly so admitted, Sensitech denies
24	No. 04-11483MLW (D. Mass.). Except as experience of paragraph 72.
25	the remaining allegations of paragraph 72. 73. Sensitech denies the allegations of paragraph 73.
26	1 denies the allegations of paragraph 74.
27	74. Sensitech denies the allegations of paragraph 75. 75. Sensitech denies the allegations of paragraph 75.
28	SENSITECH, INC.'S ANSWER

LATHAM WATKINS LA\1319397.3
ATTORNEYS AT LAW
LOS ANGELES

,	76. Sensitech denies the allegations of paragraph 76.	
1	EIGHTH CAUSE OF ACTION	
2	77. Sensitech realleges and incorporates by reference its responses	
3	paragraphs 1 through 76 of the Complaint as if fully set forth herein.	
Y	Sensitech admits that Sensitech and Donald Delital have	
5	A rection against Time 'N Temperature for its infringement of U.S. Patent	
_	No. Be 36 200 in Case No. 04-11483MLW (D. Mass.). Except as expressly so	
7	Sometech denies the remaining allegations of paragraph 70.	
ļļ.	Sensitech admits that plaintiff has denied infringement of o.s.	
9	Patent Nos. 5,313,848 and Re. 36,200. Except as expressly so admitted, Sensitech	
	denies the remaining allegations of paragraph 79.	
11	Sensitech denies the allegations of paragraph 80.	L
12	Answering plaintiff's Prayer for Relief, Sensitech denies that	İ
13	plaintiff is entitled to any of the relief sought or described in its Prayer for Relief.	
14	plantiff is chemically	
15	AFFIRMATIVE DEFENSES	
16	As separate and distinct affirmative defenses, Sensitech alleges as	
17	follows:	
18	FIRST AFFIRMATIVE DEFENSE	
19	The plaintiff's claims, in whole or in part, fail to state a claim upon	
20	and the Construction of the granted	
21	SECOND AFFIRMATIVE DEFENSE	
22	The Second, Seventh, and Eighth Causes of Action, and each of them,	
23	Court's lack of personal jurisdiction over named defendant Donald	
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2:	THIRD AFFIRMATIVE DEFENSE	
2	The plaintiff's claims, in whole or in part, fail for improper venue.	
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	SENSITECH, INC.'S ANSWER AND AFFIRMATIVE DEFENSES	
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FOURTH AFFIRMATIVE DEFENSE 1 The Second, Seventh, and Eighth Causes of Action, and each of them, 2 are barred due to plaintiff's failure to join an indispensable party. 3 FIFTH AFFIRMATIVE DEFENSE 4 The plaintiff's claims, in whole or in part, should not proceed in this 5 Court because it is an inconvenient venue. 6 <u>SIXTH AFFIRMATIVE DEFENSE</u> 7 The plaintiff's claims are barred, in whole or in part, because the 8 alleged conduct on which they are based is protected conduct that cannot form the 9 basis of a claim under the Sherman Act, pursuant to, inter alia, the Noerr-Pennington doctrine and/or First Amendment protections and immunities. 10 11 SEVENTH AFFIRMATIVE DEFENSE 12 The plaintiff's claims are barred, in whole or in part, by the doctrine 13 of laches. 14 EIGHTH AFFIRMATIVE DEFENSE 15 The plaintiff's claims are barred, in whole or in part, by the applicable 16 statutes of limitations. 17 NINTH AFFIRMATIVE DEFENSE 18 The plaintiff lacks standing to bring the First, Second, Third, Fourth, 19 Fifth, Sixth, and Seventh Causes of Action, and each of them. 20 TENTH AFFIRMATIVE DEFENSE 21 The Second and Third Causes of Action are premature in that there 22 has been no adverse finding against Sensitech and Donald Berrian in Case No. 04-23 11483MLW, D. Mass, on which those claims are based. 24 ELEVENTH AFFIRMATIVE DEFENSE 25 One or more of the Second, Third, Seventh, and Eighth Causes of Action are barred by Fed. R. Civ. P. 13 because they are compulsory counterclaims 26 27 in Case No. 04-11483MLW, D. Mass. in which Sensitech and Donald Berrian SENSITECH, INC.'S ANSWER AND AFFIRMATIVE DEFENSES LATHAM • WATKINS - LAVI319397.3

assert claims against Time 'N Temperature for infringement of U.S. Patent No. Re 1 36,200. 2 TWELFTH AFFIRMATIVE DEFENSE This court lacks subject matter jurisdiction over the Seventh and 3 Eighth Causes of Action to the extent they relate to U.S. Patent No. 5,313,848 as 4 5 there is no actual case or controversy with regard thereto. 6 THIRTEENTH AFFIRMATIVE DEFENSE The plaintiff's claims are barred, in whole or in part, by the doctrines 7 8 of estoppel and unclean hands. 9 FOURTEENTH AFFIRMATIVE DEFENSE The plaintiff's claims are barred, in whole or in part, by plaintiff's 10 11 failure to mitigate damages. 12 FIFTEENTH AFFIRMATIVE DEFENSE Plaintiff's allegations of unfair competition and/or unfair business 13 practices are barred because Sensitech's alleged conduct constitutes a legitimate 14 business practice. Further, Sensitech's alleged conduct was undertaken in good 15 faith, and constituted lawful, proper and justified means to further the sole purpose 16 of engaging in and continuing Sensitech's business affairs. By reason of such 17 legitimate and good faith business practices, Sensitech is excused from liability. 18 19 PRAYER 20 WHEREFORE, Sensitech prays for judgment with respect to the 21 plaintiff's Complaint as follows: 22 That this Court dismisses the Complaint as to Sensitech with 1. 23 prejudice; 24 That the plaintiff takes nothing by way of the Complaint; 2. 25 That the plaintiff's request for declaratory relief be denied; 3. 26 That this Court awards Sensitech its costs of suit, including its 4. 27 reasonable attorney's fees and interest; and 28 SENSITECH, INC.'S ANSWER

That this Court grants such other and further relief as it may 5. 1 deem fair and equitable. 2 Respectfully submitted, Dated: September 21, 2004 3 LATHAM & WATKINS LLP Daniel M. Wall Belinda & Lee 4 5 6 Ву Attorneys for Defendant Sensitech, Inc. 7 8 Of Counsel: DAY, BERRY & HOWARD LLP 9 Matthew J. Becker (Conn. Bar No. 10050)
Catherine Dugan O'Connor (Conn. Bar No. 17316) 10 CityPlace I 11 Hartford, CT 06103 Telephone: (860) 275-0100 Facsimile: (860) 275-0343 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 SENSITECH, INC.'S ANSWER AND AFFIRMATIVE DEFENSES LATHAM WATKINS LA LA 1319397.3 10

LOS ANGELES

PROOF OF SERVICE

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to this action. My business address is Latham & Watkins LLP, 633 West Fifth Street, Suite 4000, Los Angeles, CA 90071-2007.

On September 21, 2004, I served the following document described as:

SENSITECH, INC.'S ANSWER AND AFFIRMATIVE DEFENSES

by serving a true copy of the above-described document in the following manner:

BY U.S. MAIL

I am familiar with the office practice of Latham & Watkins LLP for collecting and processing documents for mailing with the United States Postal Service. Under that practice, documents are deposited with the Latham & Watkins LLP personnel responsible for depositing documents with the United States Postal Service; such documents are delivered to the United States Postal Service on that same day in the ordinary course of business, with postage thereon fully prepaid. I deposited in Latham & Watkins LLP' interoffice mail a sealed envelope or package containing the above-described document and addressed as set forth below in accordance with the office practice of Latham & Watkins LLP for collecting and processing documents for mailing with the United States Postal Service:

Daniel M. Cislo David V. Sandelands Cislo & Thomas LLP 233 Wilshire Boulevard, Suite 900 Santa Monica, California 90401

I declare that I am employed in the office of a member of the Bar of, or permitted to practice before, this Court at whose direction the service was made and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 21, 2004, at Los Angeles, California.

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